4 October 1979

MEMORANDUM FOR: Deputy Director of Security (P&M)

25X1   FROM:

Chief, Special Security Center

SUBJECT: APEX

1.   The purpose of this memorandum is to advise the
Director of Security that basic philosophic and practical
obstacles exist both within the Agency and the Community
which must be examined prior to the acceptance of the proposed
APEX system.

2.   Those objections to APEX--which have been expressed
repeatedly since October 1978 by such varied authorities as
NFAC, DIRNSA, national and executive agent Program Managers,
need not be repeated here. It is sufficient to note that
they oppose APEX from security, cost, efficiency and manage-
ment viewpoints. Those objections have not been accommodated
by the APEX system as proposed and it remains basically
incompatible with the expressed needs and desires of the
Community.

3.   From the writer's perspective of having participated
in several APEX working groups, and having seen objection
after objection either ignored or "papered over," with no real
resolution, there is a mounting uneasiness within the Community
that APEX represents, not an improved managerial scheme for
SCI, but rather a sinister (to put it bluntly) bureaucratic
attempt to build an empire at the expense of the security and
efficiency of current collection systems and their products.

4.   Aside from the inevitable "whitening" of hitherto
"black" programs which APEX will cause, and the accompanying
erosion of security, there are more mundane but very real
side effects which will curtail the Director of Security's

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authority in the compartmented intelligence field to that
of an interested bystander. The proposed APEX management
organization will subsume the following functions now
performed by various Office of Security components:

    a.   Overall management of the APEX security
control system and the development of APEX security
policy. (This is now conducted by SECOM and SSC.)

    b.   Oversight of APEX matters in all organizations
outside the Intelligence Community and with foreign
participants in the APEX system, with the exception of
those foreign liaison matters specifically delegated
by the DCI to other NFIB principals. (Currently the
job of SSC and NFAC/RES)

    c.   Responsibility for the development of APEX
policy and procedural manuals and coordination of
implementing guidance manuals or procedures developed
by other organizations participating in the APEX
system. (Both operational and product manuals have
been either produced by or coordinated with SSC.)

    d.   Development of the APEX Central Access
Approval Registry and review and staffing of requests
for changes and allocations of APEX ceilings and
access approvals, including administrative access
approvals. (Assumes and broadens the CIB role while
impacting directly upon the "must know" prerogative
of Program Managers.)

    e.   Policy direction and guidance for the APEX
network of APEX Control Officers, APEX Security
Officers, and [   ] Control Officers, including
(1) security indoctrination procedures for briefings
and debriefings of personnel cleared for access to
APEX, (2) the personnel, physical, and technical
security programs for the protection of APEX materials,
and (3) Community standards for document control,
including markings, control systems, transmittal
procedures, and inventory and accountability procedures.
(Arrogates an enormous amount of power and authority
currently held by various Office of Security components.)

5.   The above is meant to point toward just the internal
Office of Security impact of APEX. The Community impact, and
the potentially catastrophic impact upon contractors, would
require a more detailed study.

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6. It should be noted, in passing, that the loss of the CIB function would leave CIA as the only NFIB Agency with no independent responsibility, authority and resources for the management, administration and control of the accesses it sponsors. The Director of Security, CIA would be the only senior NFIB security person with no direct control over his Agency's recordkeeping operations. Because of sensitive cover arrangements and the danger of exposing valuable assets, the CIA's Director of Security needs direct authority and control.

7. What the writer believes is really needed is not a completely new system of compartmentation, but rather a set of specific guidelines which would permit the maximum amount of intelligence product to be decompartmented from the currently existing intelligence product systems. It is believed that such an approach would be more secure and more cost effective.

8. The Director of Security should be aware that to accept APEX without full knowledge of its implications, both to his Office and the Community, would be a disservice to both.

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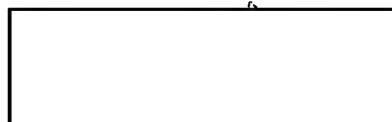
Att: Draft APEX Organization Outline

Organization for the APEX Special Access Control System

1. Upon implementation of the APEX system, there will be a need to consolidate a number of Community functions associated with this single special access system which currently are being carried out by at least five organizations in the Community. They are: CIA, NSA, the DCI Security Committee, COMIREX, and the SIGINT Committee.

Mission and Functions

2. The central Community organization for the APEX system would have as its overall mission serving as the DCI's staff arm for:

-- the development of common security and access standards for managing and handling compartmented foreign intelligence systems, information, and products.

-- the establishment of special access programs to control access, distribution, and protection of particularly sensitive classified information.

3. In performing these activities, the APEX organization should be required to coordinate with the Chairman, DCI Security Committee, all activities which establish new, or amend existing, Community physical and personnel security policies.

4. The APEX organization would be responsible for the following specific functions:

a. Overall management of the APEX security control system and the development of APEX security policy.

b. Staff for the DCI the reviews and approvals required for programs contained within the APEX system, including projects approved for the ROYAL dissemination system.

c. Oversight of APEX matters in all organizations outside the Intelligence Community and with foreign participants in the APEX system, with the exception of those foreign liaison matters specifically delegated by the DCI to other NFIB principals.

d. Responsibility for the development of APEX policy and procedural manuals and coordination of implementing guidance manuals or procedures developed by other organizations participating in the APEX system.

e. Establish and staff the Community mechanism for exercising the right of challenge to classification or compartmentation of APEX materials and providing guidance on security classification and downgrading and the de-compartmentation or sanitization of APEX materials.

f. Develop Community policy guidance and procedures for the release of APEX materials to foreign governments and liaison services.

g. Development of the APEX Central Access Approval Registry and review and staffing of requests for changes and allocations of APEX ceilings and access approvals, including administrative access approvals.

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h. Policy direction and guidance for the APEX network of APEX Control Officers, APEX Security Officers, and Control Officers, including (1) security indoctrination procedures for briefings and debriefings of personnel cleared for access to APEX, (2) the personnel, physical, and technical security programs for the protection of APEX materials, and (3) Community standards for document control, including markings, control systems, transmittal procedures, and inventory and accountability procedures.

i. Development of policies and procedures for access by contractors and consultants to APEX materials.

Staffing and Resources

4. The staffing arrangements and resource requirements for this new organization could be achieved as follows:

a. A number of the responsibilities listed above are presently carried out by the COMIREX and SIGINT Committees. These responsibilities and the associated resources would be removed from the jurisdiction of these two Committees and transferred to the APEX organization.

b. Others of these responsibilities are presently carried on by the DCI Security Committee, and parts of the Office of Security, such as the Compartmented Information Branch. These functions and the associated resources could also be transferred to the new organization.

c. The staffing pattern of the new organization should be changed radically, compared with the existing staffing patterns of the organizations named above. Rather than being staffed with a cadre of people who are almost uniquely expert in security matters or in the specific disciplines of COMINT or Imagery collection, the new organization should be staffed on a much more catholic basis. A small cadre of Security, Imagery, and SIGINT specialists is necessary, but the remainder of the staff should include representatives from:

-- other collection activities, e.g., NSA, Navy.

-- other processing organizations, e.g., NPIC, OIA.

-- user organizations, e.g., NFAC, DIA Production, and INR.

5. To preserve the momentum and thrust of the program, the initial chief of the organization should be from the user community. He should also be of sufficient status--supergrade level--to deal with senior members of the Community.

6. The new organization should be viewed clearly as a Community organization reporting to the DCI through his Deputy for Community Support. Each of the principal members of the NFIB should be required to detail officers to serve rotational tours with this organization.

7. The functions of this organization would require an estimated 25 to 28 positions. This would include the 12 positions in the Compartmented Information Branch of CIA's Office of Security which would move intact to the new organization. One staffing arrangement for the organization might be as follows:

Office of the Chief -- Chief, Deputy and two secretaries. The Deputy would also have direct responsibilities for the [   ] dissemination system

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Security Staff	--	Two-three professionals and one secretary.
Imagery Staff	--	Two-three professionals and one secretary.
Signals Staff	--	Two-three professionals and one secretary.
APEX Control Access Approval Registry	--	Two professionals, two technical and eight clerical employees

8. Based on present commitments (positions or man-year equivalents) to activities similar to those to be performed by the new organization, 20 of the required 28 positions are immediately identifiable:

COMIREX	--	3 positions
SIGINT Committee	--	2 positions
Compartmentation Branch, DCI Security Committee	--	3 positions
Compartmented Infor- mation Branch, Office of Security, CIA	--	12 positions

9. As a matter of Community concern, other Community members most involved in the APEX program should be asked to provide positions for the remaining staffing requirement of eight positions. NSA, for example, could be asked to underwrite two positions and the following to under-write one position--SAFSS, NPIC, Navy, CIA/DDS&T/OSO, CIA/NFAC, and DIA.